

109TH CONGRESS
2D SESSION

H. R. 5818

To modernize the legal tender of the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2006

Mr. KOLBE introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To modernize the legal tender of the United States, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Currency Overhaul for an Industrious Nation (COIN)
6 Act”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Redesign and issuance of commemorative circulating \$2 Federal reserve
notes.

- Sec. 3. Cash transaction rounding.
- Sec. 4. Clarification of existing law regarding inclusion of seigniorage in budget.
- Sec. 5. Recognition of market demand for \$1 circulating coin.
- Sec. 6. Study on alternative metal compositions for circulating coins.
- Sec. 7. Study of effects of increasingly cashless economy on the budget and monetary policy.
- Sec. 8. Transfer of the United States Mint and Bureau of Engraving and Printing to the Federal Reserve Board.
- Sec. 9. Paper for currency.
- Sec. 10. Obsolete coins.
- Sec. 11. Issuance of redesigned quarter dollars honoring the District of Columbia and each of the territories.

1 SEC. 2. REDESIGN AND ISSUANCE OF COMMEMORATIVE
2 CIRCULATING \$2 FEDERAL RESERVE NOTES.

3 (a) IN GENERAL.—Notwithstanding the authority of
 4 the Secretary of the Treasury under the 8th undesignated
 5 paragraph of section 16 of the Federal Reserve Act, during the 5-year period beginning January 1, 2007, the reverse of \$2 Federal reserve notes issued or otherwise
 6
 7
 8 placed into circulation by any Federal reserve bank shall
 9 have such designs and be in such form and tenor as the
 10 Secretary may select in accordance with this section.

11 (b) ISSUANCE OF NEW DESIGN EACH YEAR.—A new
 12 design shall be selected for \$2 Federal reserve notes issued
 13 or otherwise placed into circulation by any Federal reserve
 14 bank during each year of the 5-year period referred to in
 15 subsection (a).

16 (c) SELECTION OF DESIGN.—

17 (1) IN GENERAL.—Each of the 5 designs required under this section for \$2 Federal reserve
 18
 19 notes shall—

1 (A) be emblematic of the history of the
2 United States; and

3 (B) be selected by the Secretary of the
4 Treasury, after consultation with the Commis-
5 sion of Fine Arts.

6 (2) PROHIBITION ON CERTAIN REPRESENTA-
7 TIONS.—No portrait of a living person may be in-
8 cluded in the design of any \$2 Federal reserve note
9 under this subsection.

10 (d) PRODUCTION.—Except as provided in subsection
11 (a), the 8th undesignated paragraph of section 16 of the
12 Federal Reserve Act shall apply to all \$2 Federal reserve
13 notes to which this section applies.

14 (e) RETURN TO OTHER DESIGN.—After the end of
15 the 5-year period referred to in subsection (a), the \$2 Fed-
16 eral reserve note shall bear such design, and be in such
17 form and tenor, as may determined to be appropriate in
18 accordance with the 8th undesignated paragraph of sec-
19 tion 16 of the Federal Reserve Act, except that, in making
20 any determination with regard to design, the Secretary of
21 the Treasury shall take into account the 5 designs selected
22 for such 5-year period and shall give such designs priority
23 in making the final determination.

1 **SEC. 3. CASH TRANSACTION ROUNDING.**

2 (a) ROUNDING OF CASH TRANSACTION VALUES TO
3 NEAREST 5 CENTS REQUIRED.—Notwithstanding any
4 other provision of law, any person selling goods or services
5 shall determine the total cash transaction value of such
6 goods or services in the following manner:

7 (1) TOTAL TRANSACTION VALUES.—The trans-
8 action values of goods and services shall be totaled,
9 any discount or deduction therefor made, and sales
10 tax or other tax imposed, if any, added to that total
11 in accordance with the law of the State in which
12 such goods or services are sold.

13 (2) ROUNDING.—

14 (A) ROUNDING DOWN.—If the resulting
15 sum ends with 1 cent, 2 cents, 6 cents, or 7
16 cents as the final digit, the amount of cents in
17 the sum shall be rounded down to the nearest
18 amount divisible by 5 for those individuals seek-
19 ing to make payment with legal tender.

20 (B) ROUNDING UP.—If the resulting sum
21 ends with 3 cents, 4 cents, 8 cents, or 9 cents
22 as the final digit, the amount of cents in the
23 sum shall be rounded up to the nearest amount
24 divisible by 5 for any person seeking to make
25 payment with legal tender.

1 (b) EXCEPTION.—The provisions of subsection (a)(2)
2 shall not apply to—

3 (1) transactions the total amount of which is 2
4 cents or less, or

5 (2) transactions for which payment is made by
6 any demand or negotiable instrument, electronic
7 fund transfer, money order, credit card, or other like
8 instrument.

9 (c) NO EFFECT ON LEGAL TENDER.—All coins and
10 currencies of the United States, regardless of when coined,
11 printed, or issued, shall continue to be legal tender for
12 all debts, public and private, public charges, taxes, duties,
13 and dues, in accordance with law.

14 (d) COORDINATION WITH CERTAIN STATE OR LOCAL
15 TAX LAWS.—Any tax imposed by any State or municipal
16 taxing authority shall not apply to gains or losses resulting
17 from rounding.

18 (e) NUMISMATIC ITEMS.—The Secretary of the
19 Treasury may produce so many 1-cent pieces as the Sec-
20 retary determines are sufficient to include in uncirculated
21 sets, proof sets, and other collector sets as, from time to
22 time, the Secretary shall determine.

23 (f) EFFECTIVE DATE.—

24 (1) IN GENERAL.—Except as provided in para-
25 graph (2), this section shall take effect at the end

1 of the 180-day period beginning on the date of the
 2 enactment of this Act.

3 (2) DELAYED EFFECTIVE DATE.—If the end of
 4 the 180-day period referred to in paragraph (1) oc-
 5 curs during the 3-month period beginning on No-
 6 vember 1 of any year, this section shall take effect
 7 on February 1 of the year immediately following
 8 such year.

9 (g) RULE OF CONSTRUCTION.—No provision of this
 10 section shall be construed as evidence of any intention to
 11 eliminate the pricing of goods or services to the nearest
 12 cent or mill or to alter the amount of sales tax collected
 13 or paid to any State or municipal taxing authority.

14 **SEC. 4. CLARIFICATION OF EXISTING LAW REGARDING IN-**
 15 **CLUSION OF SEIGNIORAGE IN BUDGET.**

16 The 9th proviso of section 522 of Public Law 104–
 17 52 (31 U.S.C. 5136) is amended by inserting “and such
 18 amount shall be included as an estimated receipt of the
 19 Government and a receipt of the Government under para-
 20 graphs (6) and (7), respectively, of section 1105(a) of title
 21 31, United States Code, in any budget submitted under
 22 such section” before the colon after “miscellaneous re-
 23 ceipts”.

1 **SEC. 5. RECOGNITION OF MARKET DEMAND FOR \$1 CIRCULATING COIN.**
2

3 (a) **TRANSITION PERIOD.**—Federal reserve banks
4 may continue to place into circulation \$1 Federal reserve
5 notes until the date as of which the number of \$1 coins
6 placed in circulation in each of 2 preceding calendar years
7 equals or exceeds 1,000,000,000.

8 (b) **POST-TRANSITION PERIOD.**—After the date re-
9 ferred to in subsection (a), a Federal reserve bank may
10 not order or place into circulation any \$1 Federal reserve
11 note.

12 (c) **EXCEPTION.**—Notwithstanding subsection (b),
13 the Board of Governors of the Federal Reserve System
14 shall produce only such Federal reserve notes of \$1 de-
15 nomination as the Board determines from time to time
16 are appropriate to meet the needs of collectors of that de-
17 nomination. Such notes shall be issued by 1 or more Fed-
18 eral reserve banks in accordance with section 16 of the
19 Federal Reserve Act and sold by the Board, in whole or
20 in part, under procedures prescribed by the Board.

21 **SEC. 6. STUDY ON ALTERNATIVE METAL COMPOSITIONS**
22 **FOR CIRCULATING COINS.**

23 (a) **STUDY REQUIRED.**—The Comptroller General
24 shall conduct a study on the feasibility, practicality, and
25 cost-effectiveness of using alternative metal compositions
26 for circulating United States coins.

1 (b) ISSUES.—In conducting the study under sub-
2 section (a), the Comptroller General shall include—

3 (1) a study of the metal compositions of coins
4 produced and issued by other countries and eco-
5 nomic unions and the minting practices of such
6 countries and unions; and

7 (2) an analysis of the costs to consumers and
8 business that may result from any changes in the
9 metal composition of United States coin, including
10 transition costs, and the methods available for tim-
11 ing any such transition to minimize such costs.

12 (c) REPORT.—Before the end of the 270-day period
13 beginning on the date of the enactment of this Act, the
14 Comptroller General shall submit a report to the Congress
15 on the findings and conclusions with respect to the study
16 conducted under subsection (a), together with such rec-
17 ommendations for legislative or administration action as
18 the Comptroller General may determine to be appropriate.

19 **SEC. 7. STUDY OF EFFECTS OF INCREASINGLY CASHLESS**
20 **ECONOMY ON THE BUDGET AND MONETARY**
21 **POLICY.**

22 (a) STUDY REQUIRED.—The Comptroller General
23 shall conduct a study of the effects of a drastic and rel-
24 atively sudden decrease in the public use of circulating

1 coins and currency on the budget of the Federal Govern-
2 ment and the conduct of monetary policy.

3 (b) CONSULTATION.—In conducting the study under
4 subsection (a), the Comptroller General shall consult with
5 the Director of the Office of Management and Budget and
6 the Board of Governors of the Federal Reserve System
7 to the greatest extent possible.

8 (c) REPORT REQUIRED.—Before the end of the 1-
9 year period beginning on the date of the enactment of this
10 Act, the Comptroller General shall submit a report to the
11 Committee on Financial Services and the Committee on
12 the Budget of the House of Representatives and the Com-
13 mittee on Banking, Housing, and Urban Affairs and the
14 Committee on the Budget of the Senate on the findings
15 and conclusion of the Comptroller General with respect to
16 the study conducted pursuant to subsection (a), together
17 with any comments the Director of the Office of Manage-
18 ment and Budget or the Board of Governors of the Fed-
19 eral Reserve System may choose to include, and any rec-
20 ommendations for legislative or administrative action the
21 Comptroller General, the Director, or the Board may de-
22 termine to be appropriate.

1 **SEC. 8. TRANSFER OF THE UNITED STATES MINT AND BU-**
2 **REAU OF ENGRAVING AND PRINTING TO THE**
3 **FEDERAL RESERVE BOARD.**

4 (a) TRANSFER OF BUREAU OF ENGRAVING AND
5 PRINTING.—Section 303 of title 31, United States Code—

6 (1) is transferred from title 31, United States
7 Code, and inserted in the Federal Reserve Act after
8 section 16 of such Act;

9 (2) is redesignated as section 16A of the Fed-
10 eral Reserve Act; and

11 (3) is amended—

12 (A) in subsection (a), by striking “in the
13 Department of the Treasury” and inserting “in
14 the Federal Reserve System”; and

15 (B) in subsection (b)—

16 (i) by striking “Secretary of the
17 Treasury” and inserting “Board of Gov-
18 ernors of the Federal Reserve System”;
19 and

20 (ii) by striking “Secretary” where
21 such term appears in paragraphs (1) and
22 (2) of such subsection and inserting
23 “Board of Governors of the Federal Re-
24 serve System”.

25 (b) TRANSFER OF UNITED STATES MINT.—Section
26 304 of title 31, United States Code—

1 (1) is transferred from title 31, United States
2 Code, and inserted in the Federal Reserve Act after
3 section 16A of such Act (as designated by subsection
4 (a)(2) of this section);

5 (2) is redesignated as section 16B of the Fed-
6 eral Reserve Act; and

7 (3) is amended—

8 (A) in subsection (a), by striking “in the
9 Department of the Treasury” and inserting “in
10 the Federal Reserve System”; and

11 (B) in subsection (b)(2), by striking “Sec-
12 retary of the Treasury” and inserting “Board
13 of Governors of the Federal Reserve System”.

14 (c) TRANSFER OF ASSETS AND LIABILITIES.—The
15 Director of the Office of Management and Budget shall—

16 (1) oversee the transfer of the United States
17 Mint and the Bureau of Engraving and Printing
18 from the Department of the Treasury to the Federal
19 Reserve System (as provided by the amendments
20 made by subsection (a) and (b));

21 (2) arrange for the accounting for, and transfer
22 of, all assets and liabilities and all operational and
23 management responsibilities, including obligations
24 with respect to officers and employees, from the Sec-

1 retary to the Board in connection with the transfer
2 described in paragraph (1); and

3 (3) before the end of the 6-month period begin-
4 ning on the date of the enactment of this Act and
5 after consulting with the Secretary of the Treasury
6 and the Board of Governors of the Federal Reserve
7 System, provide a report to the Congress on all fur-
8 ther technical and conforming amendments to Fed-
9 eral law that are appropriate to fully effectuate such
10 transfer in accordance with subsection (d).

11 (d) DISTRIBUTIVE PRINCIPLES.—The transfer of as-
12 sets and liabilities and operational and management re-
13 sponsibilities and the preparation of further technical and
14 conforming amendments under subsection (c) shall be
15 based on the following principles and the amendments
16 made by subsection (e):

17 (1) The Secretary of the Treasury shall have
18 the responsibility for the design, including inscrip-
19 tions, of all United States circulating coins, numis-
20 matic items, and national medals authorized by an
21 Act of Congress.

22 (2) The Board of Governors of the Federal Re-
23 serve System shall have the responsibility for the ad-
24 ministration of the bureau of the United States
25 Mint, each United States mint, and the Bureau of

1 Engraving and Printing and all operations and pro-
2 ductions of such entities.

3 (3) The Bureau of Engraving and Printing
4 shall continue to produce United States bonds,
5 bonds of United States territories, and other secu-
6 rity documents and checks for the Secretary of the
7 Treasury and any other Federal agency or establish-
8 ment as may be agreed upon by the Secretary and
9 the Board of Governors of the Federal Reserve Sys-
10 tem.

11 (4) The United States Mint and the United
12 States mints shall continue to produce all United
13 States circulating coins, numismatic items, and na-
14 tional medals authorized by an Act of Congress and
15 the devices, models, hubs, and dies for such coins,
16 numismatic items, and medals.

17 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

18 (1) Section 5111 of title 31, United States
19 Code, is amended—

20 (A) in subsection (a)—

21 (i) by striking “Secretary of the
22 Treasury” and inserting “Board of Gov-
23 ernors of the Federal Reserve System
24 (hereafter in this section referred to as the
25 ‘Board’)”;

1 (ii) by striking “Secretary” where
2 such term appears in paragraph (1) and
3 inserting “Board”; and

4 (iii) by inserting “which have been au-
5 thorized by an Act of Congress” after—

6 (I) “national and other medals”
7 where such term appears in para-
8 graph (2); and

9 (II) “numismatic items” where
10 such term appears in paragraph (3);

11 (B) by striking subsection (b) and insert-
12 ing the following:

13 “(b) [REPEALED].—”; and

14 (C) in subsection (c), by striking “Sec-
15 retary” each place such term appears and in-
16 serting “Board”.

17 (2) Section 5112 of title 31, United States
18 Code, is amended—

19 (A) in that portion of subsection (a) that
20 precedes paragraph (1) of such subsection by
21 striking “The Secretary of the Treasury may
22 mint and issue only the following coins:” and
23 inserting “Except as provided by any other
24 Federal law, only the following coins may be
25 minted and issued as United States coins:”;

1 (B) in subsections (b), (c), (e), (f), and (i)
2 (other than paragraph (4)(A) of subsection (i)),
3 by striking “Secretary” each place such term
4 appears and inserting “Board”;

5 (C) in subsection (d)(2)—

6 (i) by striking “devices, models, hubs,
7 and dies for coins, emblems, devices, in-
8 scriptions, and designs” where such term
9 appears in the 1st sentence and inserting
10 “inscriptions and designs for coins”;

11 (ii) by striking “or models of em-
12 blems” and “or devices” each place such
13 terms appear in the 2nd sentence; and

14 (iii) by striking “or die” where such
15 term appears in the 3rd sentence; and

16 (D) in subsection (d), by inserting after
17 paragraph (2) the following new paragraph:

18 “(3) PREPARATION OF DEVICES, MODELS,
19 HUBS, AND DIES.—The Board of Governors of the
20 Federal Reserve System shall prepare the devices,
21 models, hubs, and dies for coins, emblems, and de-
22 vices authorized under this chapter on the basis of
23 designs selected by the Secretary in accordance with
24 paragraph (2). The Board may procure services

1 under section 3109 of title 5 in carrying out this
2 paragraph.”.

3 (3) Section 5114 of title 31, United States
4 Code, is amended—

5 (A) in subsection (a)(1)—

6 (i) by striking “Secretary of the
7 Treasury” and inserting “Board of Gov-
8 ernors of the Federal Reserve System
9 (hereafter in this section referred to as the
10 ‘Board’)”;

11 (ii) by striking “Department of the
12 Treasury” and inserting “Federal Reserve
13 System”; and

14 (iii) by striking “outside the Depart-
15 ment” and inserting “outside the Federal
16 Reserve System”; and

17 (B) by striking “Secretary of the Treas-
18 ury” and “Secretary” each place such terms
19 appear in such section, other than subsection
20 (b) or in connection with the term amended by
21 subparagraph (A)(i) of this paragraph, and in-
22 serting “Board”.

23 (4) Section 5116 of title 31, United States
24 Code, is amended—

1 (A) in subsection (a)(1), by striking “Sec-
2 retary of the Treasury” and inserting “Board
3 of Governors of the Federal Reserve System
4 (hereafter in this section referred to as the
5 ‘Board’)”; and

6 (B) by striking “Secretary” each place
7 such term appears (other than in connection
8 with the term amended by subparagraph (A))
9 and inserting “Board”.

10 (5) Section 5120 of title 31, United States
11 Code, is amended—

12 (A) in subsection (a)(1), by striking “Sec-
13 retary of the Treasury” and inserting “Board
14 of Governors of the Federal Reserve System
15 (hereafter in this section referred to as the
16 ‘Board’)”; and

17 (B) by striking “Secretary” each place
18 such term appears (other than in connection
19 with the term amended by subparagraph (A))
20 and inserting “Board”; and

21 (C) by striking paragraph (2).

22 (6) Section 5121 of title 31, United States
23 Code, is amended—

24 (A) in subsection (a), by striking “Sec-
25 retary of the Treasury” and inserting “Board

1 of Governors of the Federal Reserve System
2 (hereafter in this section referred to as the
3 ‘Board’); and

4 (B) by striking “Secretary” each place
5 such term appears (other than in connection
6 with the term amended by subparagraph (A))
7 and inserting “Board”.

8 (7) Section 5122 of title 31, United States
9 Code, is amended—

10 (A) in subsection (a), by striking “Sec-
11 retary of the Treasury” and inserting “Board
12 of Governors of the Federal Reserve System
13 (hereafter in this section referred to as the
14 ‘Board’); and

15 (B) by striking “Secretary” each place
16 such term appears (other than in connection
17 with the term amended by subparagraph (A))
18 and inserting “Board”.

19 (8) Section 5131 of title 31, United States
20 Code, is amended—

21 (A) in subsection (a), by striking “The
22 United States Mint has—” and inserting “The
23 Board of Governors of the Federal Reserve Sys-
24 tem shall maintain the following facilities:”;

1 (B) in subsection (b), by striking “Sec-
2 retary of the Treasury” and “Secretary” each
3 place such terms appear in such subsection and
4 inserting “Board”.

5 (9) Section 5132 of title 31, United States
6 Code, is amended—

7 (A) in subsection (a)(1)—

8 (i) by striking the 1st 2 sentences;

9 (ii) by striking “Secretary of the
10 Treasury” the first place such term appear
11 (other than in any sentence struck under
12 clause (i)) and inserting “Board of Gov-
13 ernors of the Federal Reserve System
14 (hereafter in this section referred to as the
15 ‘Board’)”; and

16 (iii) by striking “Secretary” each
17 place such term appears (other than the
18 place amended by subparagraph (B)) and
19 inserting “Board”.

20 (10) Section 5134(f) of title 31, United States
21 Code, is amended by striking “Secretary” each place
22 such term appears in such subsection and inserting
23 “Board”.

24 (11) Section 5136 of title 31, United States
25 Code, is amended—

1 (A) by striking “Secretary of the Treas-
2 ury” the first place such term appears in such
3 section and inserting “Board of Governors of
4 the Federal Reserve System (hereafter in this
5 section referred to as the ‘Board’)”; and

6 (B) by striking “Secretary of the Treas-
7 ury” and “Secretary” each place such terms
8 appear in such section (other than the place
9 amended by subparagraph (A)) and inserting
10 “Board”.

11 (12) Section 5141 of title 31, United States
12 Code, is amended—

13 (A) in subsection (a), by striking “Sec-
14 retary of the Treasury” and inserting “Board
15 of Governors of the Federal Reserve System
16 (hereafter in this section referred to as the
17 ‘Board’)”; and

18 (B) in subsection (b), by striking “Sec-
19 retary” and inserting “Board”.

20 (13) Section 5142 of title 31, United States
21 Code, is amended—

22 (A) in subsection (a), by striking “Depart-
23 ment of the Treasury” and inserting “Secretary
24 of the Treasury”; and

1 (B) by striking “Secretary” each place
2 such term appears and inserting “Board”.

3 (14) Section 5143 of title 31, United States
4 Code, is amended—

5 (A) by striking “Secretary of the Treas-
6 ury” and inserting “Board of Governors of the
7 Federal Reserve System (hereafter in this sec-
8 tion referred to as the ‘Board’)”; and

9 (B) by striking “Secretary” each place
10 such term appears in such section (other than
11 the place amended by subparagraph (A) and in
12 connection with a reference to the Secretary of
13 State) and inserting “Board”.

14 (15) The 8th undesigned paragraph of section
15 16 of the Federal Reserve Act (12 U.S.C. 418) is
16 amended by striking “Secretary of the Treasury”
17 each place such term appears and inserting
18 “Board”.

19 (16) The 9th undesigned paragraph of section
20 16 of the Federal Reserve Act (12 U.S.C. 419) is
21 amended to read as follows:

22 “(9) CUSTODY OF UNISSUED NOTES.—The
23 Board shall retain custody of notes prepared under
24 the preceding paragraph for delivery in accordance
25 with this Act.”.

1 (17) The 10th undesignated paragraph of sec-
2 tion 16 of the Federal Reserve Act (12 U.S.C. 420)
3 is amended by striking “Secretary of the Treasury”
4 and inserting “Board”.

5 (f) SAVINGS PROVISIONS.—

6 (1) EXISTING RIGHTS, DUTIES, AND OBLIGA-
7 TIONS NOT AFFECTED.—The enactment of this sec-
8 tion shall not affect the validity of any right, duty,
9 or obligation of the United States, the bureau of the
10 United States Mint, the Bureau of Engraving and
11 Printing, any officer or employee of such Mint or
12 Bureau, or any other person.

13 (2) CONTINUATION OF SUITS.—No action or
14 other proceeding commenced by or against the Sec-
15 retary of the Treasury with respect to any function
16 of the Secretary which was transferred to the Board
17 of Governors of the Federal Reserve System under
18 this section shall abate by reason of the enactment
19 of this Act, except that the Board shall be sub-
20 stituted for the Secretary as a party to any such ac-
21 tion or proceeding.

22 (3) CONTINUATION OF ORDERS, RESOLUTIONS,
23 DETERMINATIONS, AND REGULATIONS.—All orders,
24 resolutions, determinations, and regulations, which
25 have been issued, made, prescribed, or allowed to be-

1 come effective by the Secretary of the Treasury
2 under section 303 or 304 of title 31, United States
3 Code, or subchapter II, III, or IV of chapter 51 of
4 such title which relate to matters, actions, functions,
5 or personnel transferred to the Board of Governors
6 of the Federal Reserve System under this section
7 shall continue in effect according to the terms of
8 such orders, resolutions, determinations, and regula-
9 tions and shall be enforceable by or against the
10 Board of Governors of the Federal Reserve System,
11 until modified, terminated, set aside, or superseded
12 in accordance with applicable law.

13 (4) EMPLOYEE RIGHTS AND BENEFITS.—Not-
14 withstanding paragraph (1), the Board of Governors
15 of the Federal Reserve System may transfer the offi-
16 cers and employees referred to in such paragraph to
17 the pay and benefit plans of the Board, to the extent
18 that no interest of any such officer or employee is
19 adversely affected by any such transfer.

20 **SEC. 9. PAPER FOR CURRENCY.**

21 After the date of the enactment of this Act, no con-
22 tract may be entered into for the acquisition of paper for
23 the production of Federal reserve notes unless the contract
24 specifies that all the paper deliverable under the contract
25 must be produced entirely within the United States.

1 **SEC. 10. OBSOLETE COINS.**

2 (a) IN GENERAL.—At least 60 days before the date
3 of the transfer of the Bureau of the Mint to the Board
4 of Governors of the Federal Reserve System, under section
5 6(c) is finalized, and after consultation with the Board of
6 Governors of the Federal Reserve System and the submis-
7 sion of notice to the Congress, the Secretary of the Treas-
8 ury shall declare to be obsolete any circulating \$1 coin
9 that bears the design of the \$1 coins being issued imme-
10 diately before the issuance of coins with the design re-
11 ferred to in section 5112(n)(7) of title 31, United States
12 Code.

13 (b) RULE OF CONSTRUCTION.—Any coins described
14 in subsection (a) that are declared to be obsolete—

15 (1) shall be treated in the same manner as all
16 other obsolete United States coins, and

17 (2) to the extent such coins remain in general
18 circulation, shall remain legal tender.

19 **SEC. 11. ISSUANCE OF REDESIGNED QUARTER DOLLARS**
20 **HONORING THE DISTRICT OF COLUMBIA AND**
21 **EACH OF THE TERRITORIES.**

22 Section 5112 of title 31, United States Code, is
23 amended by inserting after subsection (m) the following
24 new subsection:

1 “(n) REDESIGN AND ISSUANCE OF CIRCULATING
2 QUARTER DOLLAR HONORING THE DISTRICT OF COLUM-
3 BIA AND EACH OF THE TERRITORIES.—

4 “(1) REDESIGN IN 2009.—

5 “(A) IN GENERAL.—Notwithstanding the
6 fourth sentence of subsection (d)(1) and sub-
7 section (d)(2) and subject to paragraph (6)(B),
8 quarter dollar coins issued during 2009, shall
9 have designs on the reverse side selected in ac-
10 cordance with this subsection which are em-
11 blematic of the District of Columbia and the
12 territories.

13 “(B) FLEXIBILITY WITH REGARD TO
14 PLACEMENT OF INSCRIPTIONS.—Notwith-
15 standing subsection (d)(1), the Secretary may
16 select a design for quarter dollars issued during
17 2009 in which—

18 “(i) the inscription described in the
19 second sentence of subsection (d)(1) ap-
20 pears on the reverse side of any such quar-
21 ter dollars; and

22 “(ii) any inscription described in the
23 third sentence of subsection (d)(1) or the
24 designation of the value of the coin ap-

1 pears on the obverse side of any such quar-
2 ter dollars.

3 “(2) SINGLE DISTRICT OR TERRITORY DE-
4 SIGN.—The design on the reverse side of each quar-
5 ter dollar issued during 2009 shall be emblematic of
6 one of the following: The District of Columbia, the
7 Commonwealth of Puerto Rico, Guam, American
8 Samoa, the United States Virgin Islands, and the
9 Commonwealth of the Northern Mariana Islands.

10 “(3) SELECTION OF DESIGN.—

11 “(A) IN GENERAL.—Each of the 6 designs
12 required under this subsection for quarter dol-
13 lars shall be—

14 “(i) selected by the Secretary after
15 consultation with—

16 “(I) the chief executive of the
17 District of Columbia or the territory
18 being honored, or such other officials
19 or group as the chief executive officer
20 of the District of Columbia or the ter-
21 ritory may designate for such purpose;
22 and

23 “(II) the Commission of Fine
24 Arts; and

1 “(ii) reviewed by the Citizens Coinage
2 Advisory Committee.

3 “(B) SELECTION AND APPROVAL PROC-
4 ESS.—Designs for quarter dollars may be sub-
5 mitted in accordance with the design selection
6 and approval process developed by the Sec-
7 retary in the sole discretion of the Secretary.

8 “(C) PARTICIPATION.—The Secretary may
9 include participation by District or territorial
10 officials, artists from the District of Columbia
11 or the territory, engravers of the United States
12 Mint, and members of the general public.

13 “(D) STANDARDS.—Because it is impor-
14 tant that the Nation’s coinage and currency
15 bear dignified designs of which the citizens of
16 the United States can be proud, the Secretary
17 shall not select any frivolous or inappropriate
18 design for any quarter dollar minted under this
19 subsection.

20 “(E) PROHIBITION ON CERTAIN REP-
21 RESENTATIONS.—No head and shoulders por-
22 trait or bust of any person, living or dead, and
23 no portrait of a living person may be included
24 in the design of any quarter dollar under this
25 subsection.

1 “(4) TREATMENT AS NUMISMATIC ITEMS.—For
2 purposes of sections 5134 and 5136, all coins mint-
3 ed under this subsection shall be considered to be
4 numismatic items.

5 “(5) ISSUANCE.—

6 “(A) QUALITY OF COINS.—The Secretary
7 may mint and issue such number of quarter
8 dollars of each design selected under paragraph
9 (4) in uncirculated and proof qualities as the
10 Secretary determines to be appropriate.

11 “(B) SILVER COINS.—Notwithstanding
12 subsection (b), the Secretary may mint and
13 issue such number of quarter dollars of each
14 design selected under paragraph (4) as the Sec-
15 retary determines to be appropriate, with a con-
16 tent of 90 percent silver and 10 percent copper.

17 “(C) TIMING AND ORDER OF ISSUANCE.—
18 Coins minted under this subsection honoring
19 the District of Columbia and each of the terri-
20 tories shall be issued in equal sequential inter-
21 vals during 2009 in the following order: the
22 District of Columbia, the Commonwealth of
23 Puerto Rico, Guam, American Samoa, the
24 United States Virgin Islands, and the Common-
25 wealth of the Northern Mariana Islands.

1 “(6) OTHER PROVISIONS.—

2 “(A) APPLICATION IN EVENT OF ADMIS-
3 SION AS A STATE.—If the District of Columbia
4 or any territory becomes a State before the end
5 of the 10-year period referred to in subsection
6 (l)(1), subsection (l)(7) shall apply, and this
7 subsection shall not apply, with respect to such
8 State.

9 “(B) APPLICATION IN EVENT OF INDE-
10 PENDENCE.—If any territory becomes inde-
11 pendent or otherwise ceases to be a territory or
12 possession of the United States before quarter
13 dollars bearing designs which are emblematic of
14 such territory are minted pursuant to this sub-
15 section, this subsection shall cease to apply with
16 respect to such territory.

17 “(7) TERRITORY DEFINED.—For purposes of
18 this subsection, the term ‘territory’ means the Com-
19 monwealth of Puerto Rico, Guam, American Samoa,
20 the United States Virgin Islands, and the Common-
21 wealth of the Northern Mariana Islands.”.

○